

QUIZ — FINANCIAL PLANNING

Select the answer that best answers the question or completes the statement.

1. Social Security is important to family financial planning because:
 - A. Benefits minimize the risk of financial disaster at disability or death and help provide financial security in retirement.
 - B. Benefits are for the rich.
 - C. You need to know where your taxes are going.
 - D. All of the above.

2. To find out how much you've got coming from Social Security, all you have to do is:
 - A. Look at your current pay stub and try to figure it out.
 - B. Ask Social Security for a "Personal Earnings and Benefit Estimate Statement (PEBES)."
 - C. Call your banker.
 - D. Ask a stranger on the street.

3. When you consider how other income may affect your Social Security checks, remember:
 - A. You can earn up to the earnings limit before your benefits are affected.
 - B. Nonearned income will not affect your Social Security benefits.
 - C. Federal income tax may be due on a portion of your Social Security benefits if you have high income.
 - D. All of the above.

4. A worker who has earned average wages throughout his/her worklife can expect Social Security retirement benefits to replace what percent of his/her pre-retirement earnings?
 - A. 10 percent
 - B. 25 percent
 - C. 42 percent
 - D. 60 percent

5. A person working most of his/her career at minimum wages would have what percent of earnings replaced at full retirement age?
 - A. About 90 percent
 - B. About 60 percent
 - C. About 100 percent
 - D. About 20 percent

- 6.** You should check the earnings credited to your Social Security account:
- A. Every 3 years
 - B. Every 10 years
 - C. Every 8 years
 - D. Every year
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- 7.** As a young person under 18, by the time you are ready to retire in 2027, the retirement age for full benefits will have moved from 65 to:
- A. Age 66
 - B. Age 67
 - C. Age 70
 - D. None of the above
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- 8.** It's important for you to use Social Security in your financial planning because:
- A. Social Security is this nation's basic method of assuring a continuing income to you and your family if you become disabled, retire, or die.
 - B. You should know what you're getting from participating in Social Security.
 - C. Social Security is most effective when it is used as a base on which to build income to meet your needs in retirement, or if you should become disabled or die.
 - D. All of the above.
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- 9.** The amount of the Social Security benefit depends on:
- A. Amount of savings and investments
 - B. Amount of earnings posted to the Social Security record
 - C. Amount of taxes paid
 - D. Amount of private pension
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- 10.** Benefits may be paid to someone who:
- A. Retires from a job at age 62
 - B. Has cancer and is unable to work
 - C. Is 10 years old and whose father has died
 - D. All of the above

